

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-10 ISO-00 SP-02 AID-05 NSC-05

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-02

PA-02 PRS-01 USIA-15 CIAE-00 COME-00 FRB-01 INR-07

NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 /111 W

----- 119662

R 301121Z MAY 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 0417

INFO AMEMBASSY BERN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

AMCONSUL FRANKFURT

UNCLAS SECTION 01 OF 02 BONN 08628

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT : FINANCIAL DEVELOPMENTS (WEEK ENDING MAY 28 -  
MAY 29 WAS A GERMAN HOLIDAY)

REF: BONN 8296 AND 5884

1. LIMITATION OF VOTING RIGHTS OF DEUTSCHE BANK  
STOCKHOLDERS: AT THE MAY 23 ANNUAL MEETING OF THE  
DEUTSCHE BANK IT WAS DECIDED TO LIMIT THE VOTING  
RIGHTS OF ANY INDIVIDUAL STOCKHOLDER OF THE DEUTSCHE  
BANK, IRRESPECTIVE OF TOTAL HOLDINGS, TO A MAXIMUM OF  
5 PERCENT OF THE BANK'S CAPITAL STOCK -- SEE BONN 5884.

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THE DECISION WAS MADE WITH A MAJORITY OF STOCKHOLDERS

REPRESENTING 93.3 PERCENT OF THE BANK'S CAPITAL EQUITY AFTER A FIVE HOUR DISCUSSION DURING WHICH THE LIMITATION WAS HEAVILY CRITICIZED BY VARIOUS SMALL INVESTORS.

2. FOREIGN EXCHANGE MARKET: DURING THE REPORTING WEEK SPOT AND FORWARD DOLLARS DEVELOPED AS FOLLOWS:

		FORWARD DOLLARS (DISCOUNTS IN PCT. P.A.)	
SPOT DOLLARS		ONE-MONTH	THREE-MONTH
MAY 22	DM 2.3350	-1.3	-1.4
23	2.3350	-1.0	-1.1
26	2.3250	-0.3	-1.1
27	2.3354	-0.0	-1.1
28	2.3285	-0.8	-1.3

WITHIN THE JOINT FLOAT THE DEUTSCHEMARK STRENGTHENED AGAINST ALL FLOAT CURRENCIES WITH THE EXCEPTION OF DANISH CROWNS. AT THE END OF THE REPORTING WEEK ALL FLOAT CURRENCIES WERE BELOW THEIR DEUTSCHEMARK UPPER INTERVENTION POINTS.

3. MONEY MARKET: THE GERMAN MONEY MARKET REACTED WITH A DECLINE OF MONEY RATES OF ABOUT 1/2 PERCENT TO THE HALF PERCENT REDUCTION IN THE REDISCOUNT AND LOMBARD RATES DECIDED ON MAY 22 (SEE BONN 8296). HOWEVER, LATER ON MONEY RATES INCREASED AGAIN WITH THE CALL MONEY RATE EXCEEDING THE NEW 5 1/2 PERCENT LOMBARD RATE. DURING THE REPORTING WEEK FRANKFURT INTERBANK MONEY RATES DEVELOPED AS FOLLOWS:

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INFO OCT-01 EUR-12 EA-10 ISO-00 SP-02 AID-05 NSC-05

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NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 /111 W

----- 119680

R 301121Z MAY 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 0418

INFO AMEMBASSY BERN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

AMCONSUL FRANKFURT

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CALL MONEY ONE-MONTH MONEY THREE-MONTH MONEY

MAY 22 5.7-6.0 5.0-5.3 5.0-5.8

23 5.4-5.6 4.5-4.8 4.6-4.9

26 5.5-5.6 4.6-4.8 4.7-5.0

27 5.5-5.8 4.7-5.0 4.7-5.0

28 5.5-5.8 4.7-5.0 4.7-5.0

4. BOND MARKET: DURING THE REPORTING WEEK FAZ  
AVERAGE YIELDS TO MATURITY OF OUTSTANDING DOMESTIC  
BONDS DEVELOPED AS FOLLOWS:

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8 PERCENT 7 PERCENT 6 PERCENT

MAY 22 8.69 8.72 8.34

23 8.65 8.70 8.30

26 8.63 8.67 8.30

27 8.63 8.65 8.27

28 8.58 8.66 8.28

ON MAY 26 THE DM 60 MILLION LN OF THE NORGES COMMUNAL-  
BANK WAS FLOATED (COUPON 8 PERCENT, ISSUE PRICE 100,  
MATURITY 5 YEARS NON-CALLABLE). THE GOVERNMENT-OWNED  
NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION IS  
CURRENTLY NEGOTIATING WITH THE DEUTSCHE BANK ON THE

ISSUE OF A DM 100 MILLION LOAN GUARANTEED BY THE JAPANESE GOVERNMENT. THE LOAN IS EXPECTED TO CARRY A COUPON OF 8 1/4 PERCENT AND A MATURITY OF 7 YEARS NON-CALLABLE. THE JAPANESE SUMITOMO METAL INDUSTRIES AND THE GOVERNMENT OF MEXICO ALOS ANNOUNCED THE ISSUE OF LOANS OF DM 100 MILLION EACH BUT DETAILS ON CONDITIONS HAVE NOT YET BECOME KNOWN.

5. DATA ON CHANGES IN BUNDESBANK MONETARY RESERVES AND BANK LIQUIDITY DURING THE THIRD WEEK OF MAY WERE NOT AVAILABLE AT TIME OF PREPARATION OF THIS TELEGRAM.  
HILLENBRAND

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, FINANCIAL DATA, FINANCIAL TRENDS, FOREIGN EXCHANGE DATA, SUFFRAGE, BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BONN08628  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750189-0691  
**From:** BONN  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t1975052/aaaaabqm.tel  
**Line Count:** 181  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 BONN 8296, 75 AND 5884  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** SmithRJ  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 DEC 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02 DEC 2003 by ThomasVJ>; APPROVED <09 JAN 2004 by SmithRJ>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** : FINANCIAL DEVELOPMENTS (WEEK ENDING MAY 28 - MAY 29 WAS A GERMAN HOLIDAY)  
**TAGS:** EFIN, GE, DEUTSCHE BANK  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006